

Minutes

Arizona Housing Commission
January 28, 2011
Arizona Department of Housing
1110 W. Washington Street, Suite 280
Phoenix, AZ 85007

Commissioners Present

Guy Mikkelsen

Albert Elias

Dave Wolf*

Jerry Anderson

Peter Herder *

*Attended by phone

David Lembke

Kathy Pechman

Roberto Ruiz

Kim Dorney

Ken Anderson

Staff Present

Michael Traylor

Susy Bustillos

Commissioners Not Present

Aneva J. Yazzie

Reid Butler

Betty Villegas

David Adame

R. Michael McQuaid

Deb Drysdale

Guest(s) Present

Tim McCarthy

Guy Mikkelsen, Chair, called the meeting to order at 1:05 p.m.

1. Call to the Public (Guy Mikkelsen)

Chairman Mikkelsen made a call to the public.

2. Approval of the December 10, 2010 Meeting Minutes (Guy Mikkelsen)

Chairman Mikkelsen called for a motion to approve the minutes of December 10, 2010.

Commissioner Jerry Anderson made a motion to approve the minutes and

Commissioner Ken Anderson seconded the motion. Minutes were approved with the correction that Commissioner Ruiz was present at the December 10, 2010 meeting.

3. Director's Updates (Michael Traylor)

- Director Traylor provided the Commission with an update on the progress of the Arizona Foreclosure Prevention Innovation Fund program.
- Director Traylor reported that the department hosted an application workshop/compliance training on January 20th. LIHTC applications can be submitted as early as 3/1/2011.
- Director Traylor shared that the Arizona Department of Housing and the Arizona Department of Economic Security have had a standing two year agreement to help

with efforts to assist with homeless youth. With budget cuts, other means of funding will have to be explored in order to maintain program funding.

- Director Traylor shared that last week ADOH gave a presentation on the agency before the House Commerce Committee, with no action taken. A vote to allow the agency to exist for another 10 years will be held in the same committee on February 2 at 10 am.
- Director Traylor provided an update on the progress being made in the planning of the 2011 Arizona Housing Forum.
- Director Traylor shared that ADOH is currently developing an Annual Planning Process to help the department to better streamline the departmental workflow.

4. Chair's Report (Guy Mikkelsen)

General Comments:

- Chairman Mikkelsen commended the ADOH for sharing great data in their Annual Report.
- Chairman Mikkelsen mentioned several Senate bills that pertaining to housing and encouraged the Commissioners to become acquainted with the information.
- Chairman Mikkelsen encouraged those Commissioners whose terms are set to expire in January 2011 to re-apply if interested in continuing with their appointment.

5. Legislative Discussion (Mr. Michael Traylor)

Federal Update

Federal Budget - With a \$1.5 trillion deficit we are hearing many rumors of potential drastic cuts.

- One potential proposal is the complete elimination of the Community Development Block Grant, saving \$4.5 billion annually. May pass the House; not likely in the Senate.
- Congress is also considering an across the board cut in federal program funding for the remaining FY2011, which may reduce funding for most if not all HUD programs to the FY2008 levels, effecting ADOH programs as of July 1, 2011. In addition, fiscal conservatives in Congress are calling for non-security discretionary spending at FY2006 levels for FY2012 through FY2021.

State Update

State Budget – The Governor's budget estimates a \$750-\$800 million shortfall in 2011 and a \$1.1-1.2 billion shortfall in 2012. The Legislature's budget was more optimistic: \$530 million in 2011 and a \$975 million in 2012.

- The Governor's budget outlines essentially the same spending reductions and sweeps for ADOH for 2012 as it did in 2011, totaling \$8.5 million. Effected funds

include the Housing Program Fund (\$2.2 million), Housing Trust Fund (\$6 million), and Finance Authority (\$258K).

- The Legislature's baseline budget only outlines reductions of \$2.8 million, but it could be expected that they will likely agree to the Governor's proposed sweeps as well.

Agency Continuation Bill – the bill was mentioned again.

6. Arizona Commerce Authority Update (Peter Herder)

Commissioner Herder provided an update on the status of the Arizona Commerce Authority.

7. Housing Trust Fund Fact Sheet (Guy Mikkelsen)

Chairman Mikkelsen shared an example of the Housing Trust Fund district-specific fact sheet being designed.

8. Other Business

The next meeting of the Arizona Housing Commission will be held from 1 p.m. – 3 p.m. on Friday, February 25th in Phoenix, at the Arizona Department of Housing, 2nd Floor Training Room. Director Traylor polled the Commissioners about their participation at the Arizona Housing Alliance's Preservation Summit, scheduled for the same day. The poll showed a quorum would be present and the date of the Commission meeting would not change.

Commissioner Dorney made mention that Gabe Zimmerman, Rep. Giffords' aid who was killed in the Tucson tragedy, is the son of former Arizona Housing Commissioner Emily Nottingham. The hearts and prayers of the Commission are with those still trying to deal with the senseless tragedy.

7. Adjournment

Chairman Mikkelsen adjourned the meeting at 2:20 p.m.